




- ★ COMMUNITY
- ★ GUIDANCE
- ★ SUPPORT

UNDERSTANDING YOUR SPENDING PATTERNS

Bills come in—and they have to be paid. But how often do you stop to think about the other ways you spend money? Understanding your spending patterns is helpful in making a budget work.

 Look at how Mike spends his income, and then jot down some notes about your own spending.

Routine Bills

Each month Mike writes a check for his rent. The bills for his phone and electric service are automatically paid through his bank checking account. He knows these expenses have to come out of his income, and he doesn't really think about them.

What routine bills do you pay by check every month?

1. _____
2. _____
3. _____
4. _____

What bills are automatically paid every month?

1. _____
2. _____
3. _____
4. _____

Habit Spending

Mike stops to get gas about twice a week. He always buys premium grade gas out of habit, although his car doesn't require it. He also buys about \$4.00 worth of snack food and a lottery ticket every time he stops.

What things do you buy because it's a habit to do so?

1. _____
2. _____
3. _____
4. _____

Impulse Buying

Mike goes into the auto parts store to buy windshield wipers. He sees some neat car seat covers that cost \$199 and buys them with his credit card. He didn't plan to buy the seat covers; he doesn't need them at all. He doesn't have the cash to buy them, but he felt good having them when he left the store.

What are some impulse buys you have made in the past few months?

1. _____
2. _____
3. _____
4. _____

Where or when are you most likely to buy something on impulse?

1. _____
2. _____
3. _____
4. _____

If Mike uses less electricity at home and saves \$120 a month on his electric bill (a routine payment), what is his savings for one year?

\$120 per month x 12 = \$_____

If Mike saves \$50 a month by switching to regular grade gas, buying only gum instead of candy bars, and no longer buying lottery tickets, what is his savings for one year?

\$50 per month x 12 = \$_____

If Mike saves \$80 a month by stopping himself from impulse buying, what is his savings for one year?

\$80 per month x 12 = \$_____

At the end of the year, how much will Mike have saved? \$_____